

A Subsidiary of Central Utah Telephone Inc.

# BEAR LAKE COMMUNICATIONS, INC.

45 WEST CENTER STREET • P.O. BOX 7 • FAIRVIEW, UTAH 84629 • (801) 427-3331 • FAX: (801) 427-3200

DOCKET FILE COPY ORIGINAL

August 7, 1998

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, DC 20554

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of Bear Lake Communications, Inc. in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self-addressed stamped envelope.

Any questions regarding this filing may be directed to me at (435) 427-3227.

Sincerely,

  
I. Branch Cox  
President

cc: Competitive Pricing Division  
Common Carrier Bureau  
Room 518  
1919 M Street NW  
Washington, DC 20554

International Transcription Service  
1231 20<sup>th</sup> Street NW  
Washington, DC 20036

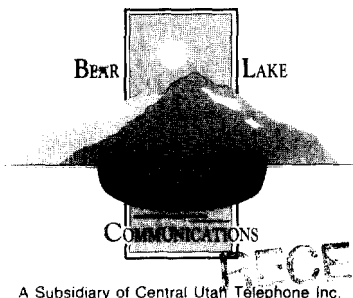
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AUG 13 1998

FEDERAL COMMUNICATIONS COMMISSION

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of

Access Charge Reform for Incumbent  
Local Exchange Carriers Subject to  
Rate-of-Return Regulation

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CC Docket No. 98-77

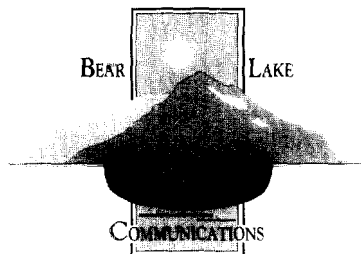
## COMMENTS OF BEAR LAKE COMMUNICATIONS, INC.

Bear Lake Communications, Inc. is a small rural local exchange carrier serving 865 access lines in the state of Utah. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NRPM) for access reform for rate-of-return incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision the Billing & Collection service using their own computers, it is not appropriate for the small rural LECs that rely heavily on service bureaus for the provisioning of this service. Small LECs have very little opportunity to reduce billing & collection costs because they are dependent on outside service bureaus for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXC's.



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In 1996 Bear Lake Communications had \$6,620 revenue for the interstate billing and collection service compared to a cost of \$6,381 resulting in a profit of \$239 before the OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 costs results in an interstate billing and collection cost of \$8,572 which increases the loss on the service to \$1,952. Taking this analysis the next step and folding on the proposed GSF change results in a cost assigned to interstate billing and collection of \$11,607, increasing the loss on the service to \$4,987.

We ask the Commission to reject the proposed change, which would jeopardize the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

I. Branch Cox  
Bear Lake Communications, Inc.



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Independent Telephone  
Company